



Item: AF: A-3

## AUDIT AND FINANCE COMMITTEE

Wednesday, December 12, 2007

**SUBJECT: REQUEST APPROVAL OF A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF AN APARTMENT STYLE RESIDENCE HALL ON THE BOCA RATON CAMPUS OF FLORIDA ATLANTIC UNIVERSITY, PROVIDING AN EFFECTIVE DATE.**

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### PROPOSED COMMITTEE ACTION

Recommend approval of a financial plan and adoption of a requesting resolution for financing and construction of apartment style residence halls (Innovation Village Apartments) at the Boca Raton campus of Florida Atlantic University to the Board of Trustees.

Authorize the President or his designee to execute all documents required for the issuance of the revenue bonds and to amend documents as required by the Board of Governors and the Division of Bond Finance of the State Board of Administration. Authorize the Chair of the FAU Board of Trustees to modify the bond amount in accordance with project cost and bond requirements.

### BACKGROUND INFORMATION

Florida Atlantic University does not have an adequate supply of housing to meet the current demand for space by incoming resident students. Currently, FAU enrolls approximately 18,186 students exclusively on the Boca Raton campus (approximately 26,245 total enrollment on all campuses); projections call for an increase to over 23,000 students on the Boca Raton campus (over 30,000 total university enrollment) within the next ten years. The immediate need is to house approximately 600 additional full-time, upper division undergraduate and graduate students.

The financial plan includes the issuance of fixed rate, tax exempt revenue bonds through the Division of Bond Finance of the State Board of Administration. The project will be financed from the proceeds of the bond sale in an expected amount of \$55,300,000. The bonds will be issued in a single series. The revenue generated from the operation of the housing system, including primarily rental income, summer revenues, and miscellaneous income, will be pledged to satisfy the debt service obligation.

As of the Fall 2007 semester, Florida Atlantic University's housing system has a designed capacity for 2,525 beds, which represents 13.9 percent of the Boca Raton campus student enrollment. With the proposed 600

additional beds opening Fall 2009, housing capacity will increase to 3,125 and will serve approximately 16 percent of campus enrollment.

C. H. Johnson Consulting Inc. and Focus Real Estate Advisors completed the Florida Atlantic University Housing Analysis which was presented to the Board of Trustees as its September 18, 2007 Annual Retreat. The analysis demonstrates a need of an additional 1,545 beds on the Boca Raton campus through 2011. The immediate need is for 618 beds opening Fall 2009.

#### **IMPLEMENTATION PLAN/DATE**

Upon approval by the Board of Trustees.

#### **FISCAL IMPLICATIONS**

Tax-exempt debt of approximately \$55,300,000 will be issued by the University, with an annual debt service payment of approximately \$3,597,344.

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**Supporting Documentation:** Proposed Resolution, Project Summary and Analysis of Financial Plan.

**Presented by:** Dr. Kenneth Jessell

**Phone:** 561-297-3266

**A RESOLUTION AUTHORIZING THE ISSUANCE OF DEBT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF SUCH DEBT TO FINANCE THE CONSTRUCTION OF AN APARTMENT STYLE RESIDENCE HALL ON THE BOCA RATON CAMPUS OF FLORIDA ATLANTIC UNIVERSITY, PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED BY THE BOARD OF TRUSTEES:**

Section 1. The Board of Trustees (the "Board of Trustees") of the Florida Atlantic University hereby requests the Florida Board of Governors to request the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue bonds in an amount not exceeding \$55,300,000 (the "Bonds") for the purpose of financing the construction of an apartment style residence hall containing approximately 600 beds (the "Project") on the Boca Raton campus of the University.

Section 2. The Project will consist of approximately 600 beds. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because it will provide much needed apartment style housing for primarily upper-division and graduate students that is in short supply on campus and in the local market. Construction of the Project is expected to begin in June/July of 2008 and to be completed by August of 2009. Proceeds of the Bonds are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to Section 1010.62, Florida Statutes and has been obtained pursuant to the General Appropriations Act for 2006-07. Reauthorization of the project will be requested for 2008-09. No proceeds of the Bonds will be used to finance operating expenses of the University.

Section 3. The Bonds are to be secured by the available revenues of the Florida Atlantic University Housing System. The University is legally authorized to secure the Bonds with the revenues to be pledged pursuant to Section 1010.62, Florida Statutes. The University is also committed to ensuring that sufficient revenues will be generated to fulfill the University's obligations with respect to the Bonds.

Section 4. The Bonds will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 45 years, which is beyond the anticipated final maturity of the Bonds. The Bonds will bear interest at a fixed interest rate.

Section 5. The Bonds will be sold through competitive sale. Any selection of underwriters or financial advisors will be accomplished through a competitive selection process. Any bond insurance or other credit enhancement will be chosen through a competitive selection process analyzing the cost of the insurance or credit enhancement and the expected interest cost savings resulting from their use.

Section 6. The Board of Trustees will comply, and will require the University to comply, with all requirements of federal and state law relating to the Bonds, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Bonds and continuing secondary market disclosure of information regarding the Bonds.

Section 7. The President, the Vice President for Financial Affairs, the General Counsel, and other authorized representatives of the University, and the Chair and Vice-Chair of the Board of Trustees are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Bonds.

Section 8. In making the determination to finance the Project, the Board of Trustees has reviewed the information attached to Appendix A and finds that the issuance of the Bonds is in compliance with the Debt Management Guidelines, the University's debt management policy, and applicable law.

Section 11. This Resolution shall take effect immediately upon its adoption.

Adopted this 12<sup>th</sup> day of December, 2007.

## Appendix A

The following documents have been reviewed by the Board of Trustees prior to the execution of this Resolution:

- a. the project program, feasibility study, or consultant report;
- b. a draw schedule for the project;
- c. sources and uses of funds for the project;
- d. an estimated debt service schedule;
- e. debt service schedules for any outstanding debt with a lien on the pledged revenues;
- f. a schedule showing estimated compliance with any additional bonds requirement set forth in the documents governing the outstanding debt;
- g. a description of the security supporting repayment and the lien position the debt will have on that security;
- h. a five year history, if available, and a five year projection, of the pledged revenues and the debt service coverage;
- i. for variable rate debt, 1) the expected reduction in total borrowing costs; 2) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure; 3) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points; 4) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of university and DSO debt outstanding; and 5) a swap management plan if interest rate risks are to be mitigated by the use of derivatives; and
- j. any negotiated sale analysis.

**STATE OF FLORIDA, BOARD OF GOVERNORS**  
**FLORIDA ATLANTIC UNIVERSITY REVENUE BONDS SERIES 2008**  
**Estimated Sources and Uses of Funds**  
**Apartment Style Residence Hall**  
**For Fiscal Year 2008-2009**

**Sources of Funds**

**Basis for Amounts**

Bond Par Amount	\$ 55,300,000	Series 2008 Bonds par amount based on a fixed, tax-exempt interest rate of 5% 30 years.
Less: Costs of Issuance	\$ ( 414,750)	Estimate of \$7.50/\$1,000
Bond Insurance	\$ (527,721)	Estimated
Surety Bond	\$ (145,478)	Estimated
Other Costs	\$ (155,426)	
Deposit to Capitalized Interest Fund (Construction Trust Fund)	<u>\$(3,445,625)</u>	Based on net bond proceeds deposited in the construction fund invested for 15 months at an estimated interest rate of 5%
Total Sources of Funds	\$ 50,600,000	

**Uses of Funds**

Project Cost (Planning, Design, Construction & Equipment)	\$ 50,600,000	Cost of planning, design, construction, and equipment
<b>TOTAL USES OF FUNDS</b>	<b><u>\$ 50,600,000</u></b>	

**BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
Project Summary  
Florida Atlantic University  
Apartment Style Residence Halls**

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**Project Description:** The Florida Atlantic University Housing Analysis was completed by C. H. Johnson Consulting, Inc. and Focus Real Estate Advisors and was presented to the Board of Trustees on September 18, 2007. As indicated in the analysis, there is an unmet need of approximate 600 apartment style residence halls for Fall 2009. The proposed Housing Complex will be a multi-story structure consisting of approximately 600 beds to accommodate undergraduate students, graduate students and resident assistants. The Housing will be located on the north side of the campus.

The project is consistent with the Campus Master Plan and Campus Development Agreement. The Master Plan for 2001-2010 identifies future housing for the Boca Raton Campus.

**Facility Site Location:** The proposed housing complex project will be located on the north side of the Boca Raton campus in the area designated as "Innovation Village"

**Projected Start and Opening Date:** It is anticipated that the design phase of the project will commence in January 2008, with construction to start in July 2008. The residence hall will be open for use in August 2008.

**Project Cost and Financing Structure:** The construction of the proposed housing complex is estimated at a total cost of \$50,600,000. Construction costs are estimated at \$42,331,800 with planning, design fees, furniture and other project costs estimated at \$8,268,200.

The project will be financed with a fixed rate, tax-exempt issuance of housing system revenue bonds, Series 2008, in an amount not exceeding \$55,300,000 (the "Series 2008 Bonds"). It is anticipated that the debt service reserve will be funded with a surety bond estimated to cost approximately \$145,478. The Series 2008 Bonds will be structured with a 30-year final maturity and level annual debt service

payments with the first principal payment occurring August 1, 2009 and final maturity on August 1, 2039. The Series 2008 Bonds are expected to finance the total cost of the project, including design fees, without the contribution of University funds.

**Type of Sale:** Competitive.

**Demand Analysis:** The University currently has approximately 2,525 housing units on the Boca Raton campus to support 18,186 students attending the campus. A comprehensive analysis was completed by C. H. Johnson Consulting, Inc. and Focus Real Estate Advisors in September 2007. This analysis demonstrates an unmet need of over 1,500 units through 2011 with an immediate need of 600 beds for Fall 2009.

**Security/Lien Structure:** Net housing system revenues will be pledged for the payment of debt service. These revenues are derived primarily from rental income, summer income and other miscellaneous revenues, after deducting operating and maintenance expenses other than depreciation.

The Series 2008 Bonds will be issued on parity with the outstanding Florida Atlantic University Housing System Revenue Bonds.

**Pledged Revenues and Debt Service Coverage:** Pledged revenue to support the project total \$4,306,997 beginning in 2009-2010, the first year of the project, and increase to \$4,815,544 in 2013-2014. A projected debt service coverage ratio has been calculated using an interest rate of 5% on the bonds. The debt secure coverage ratio increase from 1.2 in 2009-2010 to 1.34 in 2013-2014. As a housing system, pledged revenue total \$8,510,410 in 2007-2008 (Debt Service Coverage of 1.41) and increase to \$15,105,193 in 2012-2013 (Debt Service Coverage of 1.48)

**Analysis and Recommendations:** Staff of the Board of Governors and the Division of Bond Finance will review the information provided by Florida Atlantic University with respect to the request for Board of Governors approval for the subject financing. As indicated in the analysis, there is unmet need of approximate 600 apartment style residence halls for Fall 2009. Florida Atlantic University will comply with all requirements of the University's Debt Management Guidelines.



## BT-651 Apartment Project w/ 600 Beds

### Estimated Draw Schedule

Design/Construct Months	Application No.	Anticipated Date	Estimated Gross Value per Month	Running Total	Notes
Design 1	1	Feb-08	\$242,030	\$242,030	Design Begins
2	2	Mar-08	\$242,030	\$484,060	
3	3	Apr-08	\$363,045	\$847,105	
4	4	May-08	\$363,045	\$1,210,150	
5	5	Jun-08	\$605,075	\$1,815,225	
6	6	Jul-08	\$605,075	\$2,420,300	Construction Begins
Construction 1	7	Aug-08	\$3,441,404	\$5,861,704	
2	8	Sep-08	\$3,441,404	\$9,303,107	
3	9	Oct-08	\$3,441,404	\$12,744,511	
4	10	Nov-08	\$3,441,404	\$16,185,915	
5	11	Dec-08	\$3,441,404	\$19,627,319	
6	12	Jan-09	\$3,441,404	\$23,068,722	
7	13	Feb-09	\$3,441,404	\$26,510,126	
8	14	Mar-09	\$3,441,404	\$29,951,530	
9	15	Apr-09	\$3,441,404	\$33,392,933	
10	16	May-09	\$3,441,404	\$36,834,337	
11	17	Jun-09	\$3,441,404	\$40,275,741	
12	18	Jul-09	\$3,441,404	\$43,717,144	
13	19	Aug-09	\$3,441,404	\$47,158,548	Substantial Completion
14	20	Sep-09	\$3,441,404	\$50,600,000	Final Payments / Equipment

**Project Total**

**\$50,600,000.00**

*Total AE Design less CA plus CM Pre Const*

*\$2,420,300.00*

*Total Project less line above*

*\$48,179,700.00*

*\$50,600,000.00*

ORIGINAL AMOUNT	\$55,300,000.00
TERM IN YEARS	30
INTEREST RATE	5.00 %
PMT AMT (P+I)	\$3,597,344.36

PMT #	LOAN BAL	PRINCIPAL	INTEREST	NEW BALANCE
	\$55,300,000.00			
1	\$55,300,000.00	\$832,344.36	\$2,765,000.00	\$54,467,655.64
2	\$54,467,655.64	\$873,961.58	\$2,723,382.78	\$53,593,694.06
3	\$53,593,694.06	\$917,659.66	\$2,679,684.70	\$52,676,034.41
4	\$52,676,034.41	\$963,542.64	\$2,633,801.72	\$51,712,491.77
5	\$51,712,491.77	\$1,011,719.77	\$2,585,624.59	\$50,700,771.99
6	\$50,700,771.99	\$1,062,305.76	\$2,535,038.60	\$49,638,466.23
7	\$49,638,466.23	\$1,115,421.05	\$2,481,923.31	\$48,523,045.19
8	\$48,523,045.19	\$1,171,192.10	\$2,426,152.26	\$47,351,853.08
9	\$47,351,853.08	\$1,229,751.71	\$2,367,592.65	\$46,122,101.38
10	\$46,122,101.38	\$1,291,239.29	\$2,306,105.07	\$44,830,862.09
11	\$44,830,862.09	\$1,355,801.26	\$2,241,543.10	\$43,475,060.83
12	\$43,475,060.83	\$1,423,591.32	\$2,173,753.04	\$42,051,469.51
13	\$42,051,469.51	\$1,494,770.88	\$2,102,573.48	\$40,556,698.63
14	\$40,556,698.63	\$1,569,509.43	\$2,027,834.93	\$38,987,189.20
15	\$38,987,189.20	\$1,647,984.90	\$1,949,359.46	\$37,339,204.30
16	\$37,339,204.30	\$1,730,384.14	\$1,866,960.22	\$35,608,820.16
17	\$35,608,820.16	\$1,816,903.35	\$1,780,441.01	\$33,791,916.80
18	\$33,791,916.80	\$1,907,748.52	\$1,689,595.84	\$31,884,168.29
19	\$31,884,168.29	\$2,003,135.95	\$1,594,208.41	\$29,881,032.34
20	\$29,881,032.34	\$2,103,292.74	\$1,494,051.62	\$27,777,739.60
21	\$27,777,739.60	\$2,208,457.38	\$1,388,886.98	\$25,569,282.22
22	\$25,569,282.22	\$2,318,880.25	\$1,278,464.11	\$23,250,401.97
23	\$23,250,401.97	\$2,434,824.26	\$1,162,520.10	\$20,815,577.71
24	\$20,815,577.71	\$2,556,565.47	\$1,040,778.89	\$18,259,012.23
25	\$18,259,012.23	\$2,684,393.75	\$912,950.61	\$15,574,618.48
26	\$15,574,618.48	\$2,818,613.44	\$778,730.92	\$12,756,005.05
27	\$12,756,005.05	\$2,959,544.11	\$637,800.25	\$9,796,460.94
28	\$9,796,460.94	\$3,107,521.31	\$489,823.05	\$6,688,939.63
29	\$6,688,939.63	\$3,262,897.38	\$334,446.98	\$3,426,042.25
30	\$3,426,042.25	\$3,426,042.25	\$171,302.11	\$0.00

## **HOUSING SYSTEM**

**(Source: Florida Atlantic University)**

### **Introduction**

The Housing System at Florida Atlantic University is operated by the Department of Housing and Residential Life (the "Department") and has been an integral part of the University since its inception. The Department strives to complement and support the academic mission of the University; the residence hall program serves as a living-learning environment that enhances the University's educational purpose, mission and goals. The total student body at the Boca Raton Campus for Fall 2006 was 18,490, of whom 10,932 were full-time students.<sup>1</sup> The University has limited student housing on the Boca Raton Campus, with beds for 1,918 students.

### **Staffing**

The Department employs 52 full-time and 67 part-time employees consisting of administrative, professional, clerical, maintenance, custodial and student personnel. Each residential area has a staff of graduate and undergraduate student Resident Assistants (RA's). RA's are supervised by a Coordinator who is a full-time live-in professional who has experience in university housing. There are three area offices that serve on-campus residents: the Indian River Towers, the Heritage Park Towers, and the University Village Area Offices. These area offices are staffed by a full-time secretary (support staff member) and desk assistants (student staff members). Each of these offices is located on the first floor of their respective residential facility.

Two full-time Coordinators and 14 Resident Assistants will be added with the opening of the 2006A Project in Fall 2007. The Coordinator will respond to emergencies, supervise the student support staff, coordinate educational and social programs for the resident students, distribute information to students and provide referral services for advising, counseling and career planning. Additionally, an area secretary, mail clerk, and 6 maintenance and custodial staff will support the operations of the new building.

### **Housing Facilities**

Since the 1960's, the University has constructed nine residence halls and one apartment complex on the Boca Raton Campus. Seven residence halls (Algonquin, Modoc, Mohave, Naskapi, Sekani, Seminole and Timucua Halls) were constructed in the 1960's; the Indian River Towers were constructed in 2000 and the Heritage Park Towers were constructed in 2003 with the proceeds of the 2000 and 2003 Bonds, respectively. The University Village Apartment complex was constructed in the early 1990's.

All of the older halls have either been demolished or will be demolished in the near future: Modoc, Mohave and Sekani Halls were demolished in 2003 for the construction of the Heritage Park Towers; Naskapi and Seminole Halls were demolished in the summer of 2004; Timucua Hall was demolished in the summer of 2006 to construct the 2006A Project; and Algonquin Hall is expected to be closed in the end of Fiscal Year 2009-10 and subsequently demolished in the summer of 2010.

For the fall 2006 semester, the capacity of the Housing System is 1,390 beds at three residence halls (Algonquin Hall, Indian River Towers and Heritage Park Towers), and 528 beds at the University Village Apartments, with a total capacity for the Housing System of 1,918 beds.

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<sup>1</sup>Preliminary Headcounts as of September 1, 2006.

Algonquin Hall was built in 1965 and was designed for unmarried students in double occupancy and single occupancy suite-style rooms. A typical layout in this residence hall consists of a suite with two or four bedrooms that share a common bathroom and study area. Current plans are to reconfigure all double occupancy suites into single occupancy rooms and to require all Algonquin residents to sign a 12-month lease agreement.

In an effort to provide students with a more desirable type of housing accommodation than the traditional residence halls, the University constructed the University Village Apartment Complex in 1993. The complex consists of ten three-story buildings connected by pedestrian walkways. Each residential building contains four-person apartments and two-person studio apartments. The four-person apartments contain four bedrooms, a kitchen, a bathroom and a living/dining area. The two-person studios include a combination bedroom/living area with a kitchen and a bathroom.

In the fall semesters of 2001 and 2004, the Indian River Towers and the Heritage Park Towers opened, adding 604 and 603 beds to the Housing System, respectively. Each facility consists of two separate residence halls that share a community building. The complexes provide four-person suites, with single-bedroom or double-bedroom accommodations and one shared bathroom. The community buildings adjoining the towers offer large multi-purpose utility rooms, storage and laundry facilities, lounges, computer labs, classrooms, a mailroom, public restrooms, conference rooms, and administrative offices.

The 2006A Project is currently under construction and will be completed in Fall 2007. The facility will add 600 beds to the Housing System and will consist of two separate residence halls that share a community building. This building will accommodate offices, study areas, classrooms, a computer laboratory, laundry facilities, a kitchenette and a small convenience store. The 2006A Project will be located on a south side of the Boca Raton campus.

Outlined below are the facilities in the Housing System and the construction dates, square footage, design capacity and number of rooms in each facility. All facilities are located on the Boca Raton campus of the University.

#### Housing Facilities

	<u>Year Built</u>	<u>Square Footage</u>	<u>Current Capacity</u>	<u>Number of Rooms</u>
Residence Halls:				
Algonquin <sup>1</sup>	1965	43,398	184	94
Indian River Towers <sup>2</sup>	2001	203,481	604	464
Heritage Park Towers <sup>3</sup>	2004	151,727	602	356
University Village Apartments <sup>4</sup>	1993	<u>151,833</u>	<u>528</u>	<u>434</u>
Total		550,439	1,918	1,348

<sup>1</sup> Algonquin Hall is expected to be closed in the end of Fiscal Year 2009-10 and demolished in the summer of 2010.

<sup>2</sup> Indian River Towers contains 146 four-person suites plus 20 RA rooms.

<sup>3</sup> Heritage Park Towers contains 140 four-person and 14 two-person suites plus 14 RA rooms.

<sup>4</sup> University Village Apartments contain 98 studio (two-person) apartments and 84 four-bedroom apartments.

#### Capital Improvement Plan

The Department of Housing and Residential Life, in conjunction with the University Facilities Planning Department, develops and implements capital improvement projects on a five year cycle.

As described above, the University's current plan for the Housing System includes the addition of approximately 600 beds from the completion of the 2006A Project. The University has also instituted a regular

program of repair and maintenance for the newer facilities financed with the Parity Bonds, including a \$3.5 million repair of the University Village Apartment Complex completed in 2003.

The University is contemplating future issuance of bonds on a parity with the Bonds to construct an additional residence facility primarily for upper level students. Although the size and timing of the future issuance are unknown, preliminary estimates suggest the new housing facility may be constructed in the next 3 to 5 years.

#### **Insurance on Facilities**

All the University facilities, and the contents thereof, are insured under the Florida Fire Insurance Trust Fund as required by Chapter 284, Florida Statutes.

#### **Housing Needs Assessment**

For the past 5 academic years, the Housing System has experienced an occupancy rate of 99%. Current capacity of the Housing System is 1,918; after completion of the 2006A Project in the fall of 2007, the capacity of the Housing System will be approximately 2,520 beds. The University believes that the demand for the additional units exists based upon a waiting list of over 300 students for suite and apartment-style accommodations, the planned reduction in bed spaces at Algonquin Hall and the ultimate demolition of the facility described above, the continuing enrollment growth at the University, and the upgrading of all facilities comprising the Housing System.

The University has maintained waiting lists for student housing in the past and will continue to do so in the future. Once space is no longer available in either the residence halls or apartments, as requested, students are placed on a waiting list based on the date of receipt of a signed housing contract. The Department contacts students as space becomes available to notify them of their specific assignment. The \$200 pre-payment is refunded to those students for whom there is ultimately no available space.

Freshmen students are a large source of additional demand for on-campus housing. The University has experienced significant growth in enrollment at the freshman level and expects this trend to continue. Total freshman enrollment at the Boca Raton Campus for the fall 2005 semester was approximately 2,300; 1,200 lived in University housing. The University is projecting that freshman enrollment on the Boca Raton Campus for the fall 2006 semester will be approximately 2,200, with 1,200 students living in University housing. There is a requirement that first-year students reside in University housing unless they can document that they are over 21 years of age, living with their parents within a 50-mile radius of the Boca Raton campus, or married. Additional exceptions can be made for students with disabilities or other extenuating circumstances. This requirement has not been strictly enforced due to the insufficient number of available beds. In the future, the University will enforce this requirement if necessary to fill any vacancies.

In addition to freshmen who choose not to live on campus, the University feels there are other students who choose to live off campus in higher-priced housing or to live at home and commute up to 50 miles daily due to the limited supply of desirable on-campus housing accommodations. Because of the success the University has experienced in filling the Indian River Towers and the Heritage Park Towers, the University believes many of these students will choose to live on campus once they are provided with a wider range of acceptable housing options.

Transfer students and upper-level undergraduate students are notified that there is little chance they will be offered on-campus housing. To assist these students, the Off-Campus Housing Resource Center coordinates and disperses off-campus housing information. Additionally, hundreds of students use the roommate wanted/needed listings that are maintained and published by the University Center.

In addition to University students, some demand for on-campus housing is generated by students attending the South Campus of Palm Beach Community College ("PBCC") which is located on the Boca Raton Campus of the University. PBCC enrolls approximately 1,470 students on this campus; the University has traditionally

accommodated approximately 40 of these students in Housing System facilities. However, due to the demand from University students for on-campus housing and the policy to give preference to University students, the University has decided not to accommodate PBCC students beginning with the 2005-06 academic year unless they are dual-enrolled at the University.

In general, the University feels enrollment will continue to grow based upon forecasted increases in the 18-24 age population of Florida and that this will translate into an increase in demand for on-campus student housing. According to the enrollment growth plan of the Board, this age group is predicted to grow by 16% for the State and by nearly 22% for the six-county area surrounding the University by 2015.

The projections made in this section have been prepared by the University based upon the most recent available information, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.

**Occupancy Statistics**

The chart below indicates the occupancy rate as compared to the capacity of current University Housing System facilities for the past five fall semesters. Occupancy percentages have been at or near 100% for the most recent five fall semesters. Although a reduction in the number of beds available resulted from the closure of Modoc, Seminole and Timucua residence halls in the past 3 years, the net addition of Heritage Park Towers beds in the fall of 2004 provided much needed bed-space.

**Fall Semester Occupancy Analysis**

<u>Fall</u>	<u>Capacity</u>	<u>Occupancy</u>	<u>Occupancy as % of Capacity</u>	<u>Boca Raton Campus Full-Time Equivalent Enrollment</u>	<u>% of Boca Raton Full-Time Students Residing on Campus</u>
2001	1,795	1,795	100.0%	9,243	19.4%
2002	1,875 <sup>1</sup>	1,875	100.0%	10,884	17.3%
2003	1,801 <sup>2</sup>	1,783	99.0%	11,517	15.5%
2004	1,910 <sup>3</sup>	1,896	99.0%	11,182	17.0%
2005	1,916	1,901	99.0%	12,347	15.4%
2006 <sup>4</sup>	1,918	1,900	99.1%	12,535	15.2%

<sup>1</sup> The addition of University Village Apartments beds that were off-line in 2001 due to ADA renovation, the conversion of staff space in the Apartments, and the conversion of single room suites to double rooms in Seminole Hall increased capacity by 80 beds.

<sup>2</sup> Modoc Hall (82 beds) was closed in the summer of 2003.

<sup>3</sup> Heritage Park Towers (603 beds) opened, and Seminole Hall (123 beds) and Timucua Hall (368 beds) were closed, resulting in a net increase of 109 beds.

<sup>4</sup> Preliminary Full-Time Equivalent Enrollment as of September 1, 2006.

**Payment and Collection Information**

Students pay a \$200 pre-payment that is applied to their first semester’s rent. The balance of the room charge is due on August 1. Spring and Summer semester housing payments are due in full on December 1 and May 1 of each academic year, respectively.

The Department of Housing and Residential Life works to assist students on financial aid, scholarships, and students having financial difficulty. After the \$200 pre-payment is paid, students on financial aid and scholarships may defer their housing payment until receiving their financial aid award. The Department automatically receives payment after tuition is paid from the financial aid disbursement.

**Number of Student Residents on Financial Aid  
(Fall Semester)**

<u>Year</u>	<u>Number of Students Residing on Campus</u>	<u>Students Residing on Campus Receiving Financial Aid</u>	
		<u>Number</u>	<u>Percent</u>
2001	1,795	1,450	80.8%
2002	1,875	1,529	81.6%
2003	1,783	1,467	82.3%
2004	1,896	1,576	83.1%
2005	1,901	1,586	83.4%

Unpaid housing rent is placed on the University’s student account receivables and after a reasonable period of time, the debt is referred to a collection agency. Students are precluded from registering for a subsequent term and from receiving grades until housing charges are paid. The University’s historical collection rate of rentals and housing fees is close to 99%.

**On-Campus Rental Rates**

Rental rates are reviewed during the spring semester of each year to determine if they will generate sufficient revenue to provide for the operation of the Housing System. If there is a projected deficit, the rental rates will be adjusted accordingly. Once the proposed rental rates are established, the Director of the Department meets with student groups to discuss the proposed rental rates. Upon reaching an agreement, the proposed rental rates are submitted to a University Committee for review, and then to the University President for review and to the University Board of Trustees for final approval.

The following table shows historical and projected rental rates for the accommodations available to students in the Housing System. Rental rate increases are based on annual market surveys and needs analyses. The Board has covenanted in the Resolution to recommend, fix and include in its budget rental rates that will produce sufficient revenues to pay amounts due under the Resolution. **The projected rental rates are for illustration only, and management of the University makes no representation as to whether any rental rate increases will be made in the future.**

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**Semester Rental Rates Per Student  
(Fall & Spring Semesters Only)**

	<u>Historical Rates</u>					<u>Projected Rates</u>				
	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
<b>Housing Facilities:</b>										
<u>Algonquin Hall</u>										
Standard Suite	\$1,600	\$1,695	\$1,800	\$1,870	\$1,944	-	-	-	-	-
Premium Suite	2,140	2,235	-	-	-	-	-	-	-	-
Single	-	-	-	-	-	\$2,685	\$2,792	\$2,904	-	-
<u>Indian River Towers</u>										
Double	2,340	2,435	2,545	2,645	2,746	2,856	2,970	3,089	3,213	3,341
Single	2,740	2,835	2,945	3,060	3,192	3,320	3,453	3,591	3,735	3,884
<u>University Village Apartments</u>										
4-Bedroom (Single)	2,500	2,595	2,720	2,830	2,966	3,085	3,208	3,336	3,469	3,609
Double (Studio)	2,235	2,330	2,440	2,540	2,639	2,744	2,854	2,968	3,087	3,211
<u>Heritage Park Towers</u>										
Double (Suite A)	-	-	2,385	2,480	2,582	2,685	2,792	2,904	3,020	3,141
Double (Studio C)	-	-	2,685	2,790	2,898	3,014	3,135	3,260	3,390	3,526
Single (Suite B)	-	-	2,785	2,895	3,034	3,155	3,281	3,412	3,548	3,691
Double (Suite B)	-	-	2,485	2,585	2,582	2,685	2,792	2,904	3,020	3,141
<u>2006A Project</u>										
Double	-	-	-	-	-	3,050	3,172	3,300	3,432	3,568
Single	-	-	-	-	-	3,540	3,682	3,830	3,983	4,141

**Comparison of Housing Rates**

Although off-campus housing has been an acceptable alternative for some students, rising costs and limited availability are two prohibitive factors. Boca Raton rental rates have typically been high and have increased consistently during the 1990's and early 2000's. The area immediately surrounding the University's Boca Raton campus does not provide adequate options in the way of student-oriented, reasonably-priced housing.

A survey of comparable off-campus facilities is presented below. The off-campus facilities selected for this survey were located within two miles of the University and are primarily all student apartment facilities. The off-campus rental rates do not include any auxiliary services other than water and sewage nor do they include deposits for utilities or telephone. Rental rates for University housing include all utilities, local telephone service, cable television and supervisory staff.

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**Survey of Off-Campus Housing Rates  
(as of Summer 2006)**

<u>Complex Name</u>	<u>Rental Rate Per Month</u>		
	<u>One Bedroom</u>	<u>Two Bedroom</u>	<u>Three Bedroom</u>
Addison Place	-	\$1,115	\$1,359
Boca Bend Marina	\$795	900	1,350
Boca Colony	795	955	1,155
Boca Place	1,120	1,500	1,625
Coral Harbor	799	1,425	-
Cynthia Gardens	930	-	-
Mizner on the Green	1,275	1,875	-
Palma Vista	-	1,665	1,900
Palms of Boca Del Mar	940	1,196	-
Royal Colonial	895	1,175	1,795
San Marco at Broken Sound	-	1,675	2,035
Su Casa	780	870	-
Town Colony	1,175	1,600	-
Vinings at Town Place	750	965	1,200
Vinings II at Town Place	<u>1,030</u>	<u>1,350</u>	<u>1,610</u>
Average	\$940	\$1,305	\$1,560

**Budgetary Information**

Each spring, the proposed Housing System budget for the ensuing Fiscal Year is finalized. The budget figures are based upon actual numbers from the prior year, current fiscal activity, and projected changes in cost structures anticipated for future fiscal years. The budget for the housing program is prepared by the Director and Assistant Directors. The proposed budget is reviewed and approved by the Vice President for Student Affairs and the University Budget Office. Any changes to the budget are submitted to the University Budget Office with a financial plan indicating the purpose of the proposed expenditure, the effect on revenues, and/or whether available cash balances will be used.

Housing rental rate increases are implemented on a yearly basis. Both the Vice President for Student Affairs and the President of the University review and approve the budgets prior to forwarding to the Trustees for approval.

Presented below is a comparison of the budgeted versus actual performance of the Housing System. This information has been prepared by the University for internal management purposes only and has not been audited.

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**Comparison of Budget to Actual <sup>1</sup>**

	<u>Fiscal Year 2004-2005</u>			<u>Fiscal Year 2005-2006</u>			<u>Fiscal Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2006-07</u>
							<u>Budget</u>
<b><u>Revenues:</u></b>							
Housing Fees	\$9,116,320	\$9,969,392	\$853,072	\$9,574,802	\$10,304,478	\$729,676	\$10,626,446
Rental Income	70,250	720	(69,530)	119,200	55,342	(63,858)	135,000
Miscellaneous Revenue	<u>35,000</u>	<u>164,881</u>	<u>129,881</u>	<u>13,000</u>	<u>56,182</u>	<u>43,182</u>	<u>90,023</u>
Total Operating Revenues	9,221,570	10,134,993	913,423	9,707,002	10,416,002	709,000	10,851,469
<b><u>Operating Expenditures:</u></b>							
Personnel Expenditures	2,035,507	1,776,422	(259,085)	2,204,734	1,938,648	(266,086)	2,326,627
Utilities	1,303,728	1,309,886	6,158	1,585,688	1,384,058	(201,630)	1,693,650
Marketing/Printing	36,000	25,668	(10,332)	37,000	32,169	(4,831)	35,000
Maintenance	551,500	151,136	(400,364)	615,950	983,097	367,147	622,900
Service Contracts	600,500	764,994	164,494	327,700	213,109	(114,591)	434,800
Administrative & Supplies	72,000	73,486	1,486	67,325	84,996	17,671	137,500
Training/Development	25,000	28,863	3,863	18,000	41,060	23,060	64,000
Miscellaneous & OCO	<u>460,000</u>	<u>173,556</u>	<u>(286,444)</u>	<u>618,000</u>	<u>602,598</u>	<u>(15,402)</u>	<u>298,000</u>
Total Operating Expenditures	\$5,084,235	\$4,304,011	(\$780,224)	\$5,474,397	\$5,279,735	(\$194,662)	\$5,612,477
Operating Income	<u>\$4,137,335</u>	<u>\$5,830,982</u>	<u>\$1,693,647</u>	<u>\$4,232,605</u>	<u>\$5,136,267</u>	<u>\$903,662</u>	<u>\$5,238,992</u>

<sup>1</sup> Actual results were prepared using an accrual basis of accounting and in accordance with Generally Accepted Accounting Standards including Governmental Accounting Standards Board ("GASB") Statements 34 and 35. The budget is prepared using standard University budget categories, which do not correspond to financial reporting categories. Accordingly, there are some categories which appear as not being budgeted.

Actual revenues for the past two years have consistently exceeded budgeted amounts because management assumes various annual occupancy rates for the different residential facilities to take into account students leaving in mid-year or buying out their housing contracts and the possibility of not maintaining the 100% occupancy rate that is in effect at the beginning of the fall semester. During the same period, actual revenues from rental of the housing facilities for camps and conferences did not meet budget expectations due to lack of availability of classroom/conference space and other ancillary facilities to accommodate these events. Budgeted Contractual Services varies significantly from actual results due to reclassification of some contractual services to Repairs and Maintenance for financial reporting purposes. In addition, some budgeted contractual services, such as custodial services, were performed by University personnel and became actual Personnel Expenditures.

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### **Selected Historical Financial Information**

The following tables set forth selected historical financial information for the University Housing System for the five Fiscal Years ended June 30, 2006. The financial information for the Housing System was prepared by the University for internal management purposes as an integral part of the University's financial statements and was not independently audited. The Housing System information was prepared on the accrual basis of accounting, and beginning in Fiscal Year 2003-04, was prepared in accordance with generally accepted accounting principles and the Governmental Accounting Standards Board of the Financial Accounting Foundation issued Statement No. 35 (Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities). For Fiscal Year 2002-03, long-term capital assets and liabilities were accounted for at the University level and were not included in the University Housing System financial statements.

The activities of the Housing System are included in the University Financial Statements. The University Financial Statements are subject to audit procedures as part of the audit of Florida's Comprehensive Annual Financial Report. Additionally, beginning Fiscal Year 2001-02, the University Financial Statements are independently audited by the State Auditor General's office. University Financial Statements for Fiscal Year 2004-05 are reproduced as Appendix F, and the Housing System Financial Statements for Fiscal Year 2005-06 are reproduced as Appendix G.

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**Florida Atlantic University Housing System  
Statement of Net Assets  
(Unaudited)**

	At June 30				
	<u>2002<sup>1</sup></u>	<u>2003<sup>1</sup></u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash	\$357,641	\$3,973	\$2,742,625	\$673,871	\$4,210,458
Investments	2,879,411	3,515,799	4,520,394	7,570,774	4,898,279
Adjustment to Fair Market Value	-	-	-	36,218	(87,679)
Accounts Receivable, Net	461,975	581,467	404,642	92,956	52,461
Prepaid Items	-	-	-	-	300,712
Interest Receivable	<u>9,025</u>	<u>15,860</u>	<u>13,629</u>	<u>25,341</u>	<u>15,561</u>
<b>Total Current Assets</b>	<b>3,678,053</b>	<b>4,117,098</b>	<b>7,681,290</b>	<b>8,399,161</b>	<b>9,389,792</b>
<b>Capital Assets</b>					
Buildings	-	-	60,520,705	59,738,960	58,439,917
Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>(5,085,865)</u>	<u>(5,645,369)</u>	<u>(5,965,342)</u>
<b>Net Capital Assets</b>	<b>-</b>	<b>-</b>	<b>55,434,840</b>	<b>54,093,584</b>	<b>52,474,575</b>
<b>TOTAL ASSETS</b>	<b>3,678,053</b>	<b>4,117,098</b>	<b>63,116,130</b>	<b>62,492,745</b>	<b>61,864,367</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accrued Salaries	41,087	23,014	23,008	54,491	145,049
Accounts Payable	4,639	70,121	5,531	679	-
Deferred Revenues	<u>415,570</u>	<u>362,050</u>	<u>-</u>	<u>66,314</u>	<u>363,727</u>
<b>Total Current Liabilities</b>	<b>461,296</b>	<b>455,185</b>	<b>28,539</b>	<b>121,483</b>	<b>508,776</b>
<b>Long-Term Liabilities</b>					
Bonds Payable	-	-	58,105,000	56,538,500	54,920,176
<b>NET ASSETS</b>					
Unrestricted	3,216,756	3,661,912	7,652,751	8,277,678	8,881,015
Invested in Capital Assets, Net	-	-	(2,670,160)	(2,444,916)	(2,445,601)
<b>Total Net Assets</b>	<u><b>3,216,756</b></u>	<u><b>3,661,912</b></u>	<u><b>4,982,591</b></u>	<u><b>5,832,762</b></u>	<u><b>6,435,415</b></u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$3,678,053</b></u>	<u><b>\$4,117,098</b></u>	<u><b>\$63,116,130</b></u>	<u><b>\$62,492,745</b></u>	<u><b>\$61,864,367</b></u>

<sup>1</sup> The Statements of Net Assets for Fiscal Years 2001-02 and 2002-03 do not include long-term capital assets and liabilities, which were reported beginning Fiscal Year 2003-04.

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**Florida Atlantic University Housing System**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**(Unaudited)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Operating Revenues:</u></b>					
Housing Fees	\$7,394,618	\$9,492,264	\$8,101,730	\$9,203,742	\$9,983,278
Rental Income	46,072	112,142	11,710	720	14,504
Miscellaneous Revenue	<u>36,525</u>	<u>103,071</u>	<u>132,761</u>	<u>70,298</u>	<u>97,020</u>
Total Operating Revenues	7,477,214	9,707,477	8,246,202	9,274,760	10,094,802
<b><u>Operating Expenses:</u></b>					
Salaries and Benefits	1,418,715	1,442,411	1,699,081	1,683,296	1,744,328
Other Personal Services	147,917	211,669	176,914	173,063	194,320
Contractual Services	18,568	424,818	25,894	123,549	24,380
Telecommunication	246,372	317,375	225,879	282,384	291,638
Freight and Postage	72,370	9,289	8,233	7,801	2,825
Printing	21,009	24,689	25,256	26,594	27,686
Repairs and Maintenance	777,788	1,827,221	242,110	422,433	1,118,113
Travel	13,242	23,014	23,404	28,851	41,059
Utilities	571,673	826,949	758,368	928,263	1,110,306
Depreciation Expense	-	-	804,261	1,217,261	1,208,855
Loss on Disposal of Fixed Assets	-	-	-	234,887	439,912
Moving Expenses	-	-	-	8,412	7,434
Materials and Supplies	390,521	143,359	133,870	193,063	337,114
Insurance	7,751	8,171	17,344	28,165	20,676
Other Expenses	<u>5,614</u>	<u>79,927</u>	<u>194,860</u>	<u>79,574</u>	<u>85,058</u>
Total Operating Expenses	3,691,540	5,338,891	4,335,477	5,437,597	6,653,704
Operating Income/Loss	3,785,674	4,368,586	3,910,725	3,837,163	3,441,098
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Interest Income	169,064	217,997	164,838	710,985	101,157
Arbitrage Revenue	63,041	-	-	-	-
Operating Capital Outlay	<u>(127,396)</u>	<u>(34,820)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Nonoperating Revenues	104,709	183,177	164,838	710,985	101,157
Income/Loss Before Transfers	3,890,383	4,551,763	4,075,563	4,548,148	3,542,255
<b><u>Transfers In/(Out)</u></b>					
Debt Service - Interest	(1,992,134)	(1,967,459)	(1,936,353)	(2,656,434)	(2,594,774)
Debt Service - Principal	(845,000)	(907,000)	(1,037,000)	-	-
Transfers In/(Out)	(101,457)	(949,986)	2,243,437	(760,013)	(205)
Administrative Overhead	<u>(240,882)</u>	<u>(282,162)</u>	<u>(159,071)</u>	<u>(281,530)</u>	<u>(344,623)</u>
Total Transfers In/(Out)	(3,179,473)	(4,106,607)	(888,986)	(3,697,977)	(2,939,602)
Change in Net Assets	710,991	445,156	3,186,577	850,171	602,653
Total Net Assets - Beginning	2,505,847	3,216,756	3,661,912	4,982,591	5,832,762
Adjustment to Beginning Net Assets <sup>1</sup>	-	-	(1,865,899)	-	-
Total Net Assets - Ending	<u>\$3,216,756</u>	<u>\$3,661,912</u>	<u>\$4,982,591</u>	<u>\$5,832,762</u>	<u>\$6,435,415</u>

<sup>1</sup> The adjustment to beginning net assets in Fiscal Year 2003-04 reflects the reporting of long-term capital assets and liabilities for inclusion in the Housing System Financial Statements. Previously these were accounted for at the University level only.

## Discussion and Analysis of Financial Condition and Results of Operations

The operation of the housing facilities depends primarily on student housing fees. Interest income, conference fees, vending revenues and late fees provide additional income to the Housing System. Revenues from the Housing System, after providing for payment of Current Expenses, Administrative Expenses and Rebate Amount, if any, are pledged to satisfy the debt service obligations on the Parity Bonds and the 2006B Bonds. See "SECURITY FOR THE 2006B BONDS" herein. Administrative Expenses generally refer to fees and charges due to the Board of Administration and Division of Bond Finance for administration of the Bonds. These expenses are not generally significant. Current Expenses, however, generally are significant and refer to the operating expenses of the Housing System. See Appendix A, "Definitions."

Operating expenses primarily include costs associated with salaries, telecommunications, utilities, daily maintenance functions, supplies, and general maintenance and upkeep of the Housing System facilities. Other non-operating expenses include those necessary for capital improvements to the facilities. Additional system-wide operating expenses will be realized once the new 2006A Project is completed; however, these expenditures are projected to be lower on a per-bed basis because of the improved economies of scale.

As the schedules provided above show, Housing System operating revenues increased 24% from Fiscal Year 2001-02 to Fiscal Year 2004-05, a compounded average annual growth rate of 7.4%. The increase in housing revenues was due to rental rate increases of approximately 5% per year and the addition of 603 beds through the construction of the Heritage Park Towers in Fall 2004. Over the same period, Housing System operating expenses (net of depreciation) increased 14.3%, a compounded average annual growth rate of 4.6%. These operating expense increases were primarily due to increases in utility costs, the addition of the Heritage Park Towers and price inflation.

In Fiscal Year 2002-03, reported operating revenues increased 29.8% over the prior year, largely due to an accounting misclassification of housing fees revenues in the amount of \$812,973. Had the correct amount been reported, operating revenues would have increased only 19.0%, mainly due to the re-opening of the University Village Apartments and the conversion of staff beds into revenue generating beds. The significant increase in repairs and maintenance expenses over the prior year was also due to an accounting misclassification in the amount of \$812,973. The net effect on net assets was offsetting. The Housing System financial statements for Fiscal Year 2002-03 were not restated because the misclassification was considered immaterial by the auditor general. The increase in the contractual services category in Fiscal Year 2002-03 was mainly attributable to payments in the amount of \$320,000 for preliminary planning for the Heritage Park Towers.

In Fiscal Year 2005-06, operating revenues increased 8.8% and operating expenses increased by 18% compared to the prior fiscal year. The increase in operating revenues was primarily due to rental rate increases and the increase in occupancy rates. The primary reasons for the increase in operating expenses were the increase in utilities costs, the increase in repairs and maintenance and the non-cash loss associated with the disposal of Timucua Hall.

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## Historical Debt Service Coverage

The following table sets forth historical operating results and debt service coverage ratios for the past five Fiscal Years.

### Florida Atlantic University Housing System Historical Debt Service Coverage<sup>1</sup>

	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
Gross Revenues:					
Housing Fees and Other Operating Revenues	\$7,477,214	\$9,707,477	\$8,246,202	\$9,274,760	\$10,094,802
Investment Revenue <sup>2</sup>	<u>169,064</u>	<u>217,997</u>	<u>164,838</u>	<u>710,985</u>	<u>101,157</u>
Total Revenues	7,646,278	9,925,474	8,411,040	9,985,745	10,195,959
Less: Current Expenses <sup>3</sup>	3,691,540	5,338,891	3,531,215	3,985,449	5,004,937
Less: Debt Service on Prior Lien Obligations <sup>4</sup>	<u>142,255</u>	<u>149,305</u>	<u>115,995</u>	<u>100,700</u>	<u>97,850</u>
Pledged Revenues	3,812,483	4,437,278	4,763,830	5,899,596	5,093,172
Less: Annual Debt Service on:					
1993 Bonds <sup>5</sup>	1,195,503	1,195,478	-	-	-
2000 Bonds	1,654,705	1,656,705	1,657,805	1,658,005	1,657,305
2003 Bonds <sup>6</sup>	-	-	<u>1,796,477</u>	<u>2,460,294</u>	<u>2,459,994</u>
Total Debt Service	2,850,208	2,852,183	3,454,282	4,118,299	4,117,299
Revenues Available for Other Expenditures	962,275	1,585,095	1,309,548	1,781,297	975,873
Maximum Annual Debt Service on the Parity Bonds	2,876,963	2,876,963	4,136,995	4,136,995	4,136,995
Debt Service Coverage:					
Annual Debt Service	1.34x	1.56x	1.38x	1.43x	1.24x
Maximum Annual Debt Service	1.33x	1.54x	1.15x	1.43x	1.23x

<sup>1</sup> The financial information related to revenues and expenses was provided by the University.

<sup>2</sup> Investment revenue includes interest on the available cash balances in the Housing System operating accounts.

<sup>3</sup> Current Expenses are operating expenses of the Housing System as defined in the Resolution.

<sup>4</sup> The Prior Lien Obligations matured on July 1, 2006.

<sup>5</sup> The 1993 Bonds were refunded by the 2003 Bonds and were called for redemption on October 15, 2003.

<sup>6</sup> A portion of the debt service on the 2003 Bonds for Fiscal Year 2003-04 was provided from accrued interest.

## Projected Pledged Revenues and Debt Service Coverage

Projected operating results and debt service coverage ratios for the next five fiscal years are provided in the following table. **The projections of future operating results have been prepared by the University based upon the most recent available information, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.**

Revenue projections for the existing facilities are based on rental rate increases of 4% per year and student occupancy rates of 95% for the fall and spring terms of each year and 50% for the summer terms. Operating expenses for the Housing System during the forecast period are based upon the University's past experience in operating the Housing System and are projected to increase 4% annually.

	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
<b>REVENUE</b>					
600 singles-1/bedroom, 4/suite					
Rental income (\$7,200/ac yr - \$3,600/sem) 95%	\$ 4,104,000	\$ 4,268,160	\$ 4,438,886	\$ 4,616,442	\$ 4,801,100
Summer income (\$2,700/summer) 80%	\$ 1,296,000	\$ 1,347,840	\$ 1,401,754	\$ 1,457,824	\$ 1,516,137
Miscellaneous Income/keys/damage	\$ 50,000	\$ 52,000	\$ 54,080	\$ 56,243	\$ 58,493
Transfer In (Intra)	\$ 110,000				
<b>TOTAL REVENUE</b>	<b>\$ 5,560,000</b>	<b>\$ 5,668,000</b>	<b>\$ 5,894,720</b>	<b>\$ 6,130,509</b>	<b>\$ 6,375,729</b>

<b>EXPENDITURES</b>					
Assistant Director (1 position)	\$ 60,000	\$ 62,400	\$ 64,896	\$ 67,492	\$ 70,192
Resident Coordinator (1 position)	\$ 38,000	\$ 39,520	\$ 41,101	\$ 42,745	\$ 44,455
Secretary (1 position)	\$ 33,000	\$ 34,320	\$ 35,693	\$ 37,121	\$ 38,605
Mailroom clerk (1 position)	\$ 32,000	\$ 33,280	\$ 34,611	\$ 35,996	\$ 37,435
Maintenance (2 positions-Specialist and Gen.M.)	\$ 94,000	\$ 97,760	\$ 101,670	\$ 105,737	\$ 109,967
Custodial position (3 positions)	\$ 91,000	\$ 94,640	\$ 98,426	\$ 102,363	\$ 106,457
Desk staff	\$ 35,000	\$ 36,400	\$ 37,856	\$ 39,370	\$ 40,945
RA stipend (\$275/mo cash x 8)	\$ 11,000	\$ 11,440	\$ 11,898	\$ 12,374	\$ 12,868
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$ 394,000</b>	<b>\$ 409,760</b>	<b>\$ 426,150</b>	<b>\$ 443,196</b>	<b>\$ 460,924</b>

Electricity	\$ 350,000	\$ 364,000	\$ 378,560	\$ 393,702	\$ 409,450
Natural gas	\$ 20,000	\$ 20,800	\$ 21,632	\$ 22,497	\$ 23,397
Telephone charges to FAU	\$ 16,500	\$ 17,160	\$ 17,846	\$ 18,560	\$ 19,303
Cable television \$ 16.06/mo x 604 ports	\$ 116,400	\$ 121,056	\$ 125,898	\$ 130,934	\$ 136,172
Internet	\$ 11,000	\$ 11,440	\$ 11,898	\$ 12,374	\$ 12,868
Water/Sewer	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
<b>TOTAL UTILITIES</b>	<b>\$ 543,900</b>	<b>\$ 565,656</b>	<b>\$ 588,282</b>	<b>\$ 611,814</b>	<b>\$ 636,286</b>

General Maintenance	\$ 50,000	\$ 52,000	\$ 54,080	\$ 56,243	\$ 58,493
Service Contracts	\$ 120,000	\$ 124,800	\$ 129,792	\$ 134,984	\$ 140,383
Pest Control					
Life Safety					
Chillers					
Trash					
Elevators					
Access Card Readers					
Turnaround Cleaning					
<b>TOTAL MAINTENANCE</b>	<b>\$ 170,000</b>	<b>\$ 176,800</b>	<b>\$ 183,872</b>	<b>\$ 191,227</b>	<b>\$ 198,876</b>

Administrative Expenses and Supplies	\$ 4,000	\$ 4,160	\$ 4,326	\$ 4,499	\$ 4,679
Training and Development	\$ 7,000	\$ 7,280	\$ 7,571	\$ 7,874	\$ 8,189
Miscellaneous	\$ 5,000	\$ 5,200	\$ 5,408	\$ 5,624	\$ 5,849
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 16,000</b>	<b>\$ 16,640</b>	<b>\$ 17,306</b>	<b>\$ 17,998</b>	<b>\$ 18,718</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,123,900</b>	<b>\$ 1,168,856</b>	<b>\$ 1,215,610</b>	<b>\$ 1,264,235</b>	<b>\$ 1,314,804</b>
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University Administrative Overhead	\$ 73,503	\$ 76,443	\$ 79,501	\$ 82,681	\$ 85,988
Reserves(2.5%of Rev.) 1%first year,2% sec.y.	\$ 55,600	\$ 113,360	\$ 147,368	\$ 153,263	\$ 159,393
<b>TOTAL OTHER EXPENSES</b>	<b>\$ 129,103</b>	<b>\$ 189,803</b>	<b>\$ 226,869</b>	<b>\$ 235,944</b>	<b>\$ 245,381</b>

<b>TOTAL REVENUE</b>	<b>\$ 5,560,000</b>	<b>\$ 5,668,000</b>	<b>\$ 5,894,720</b>	<b>\$ 6,130,509</b>	<b>\$ 6,375,729</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,253,003</b>	<b>\$ 1,358,659</b>	<b>\$ 1,442,479</b>	<b>\$ 1,500,178</b>	<b>\$ 1,560,185</b>
<b>NET OPERATING INCOME</b>	<b>\$ 4,306,997</b>	<b>\$ 4,309,341</b>	<b>\$ 4,452,241</b>	<b>\$ 4,630,330</b>	<b>\$ 4,815,544</b>
<b>ANNUAL DEBT SERVICE</b>	<b>\$ 3,597,000</b>	<b>\$ 3,597,000</b>	<b>\$ 3,597,000</b>	<b>\$ 3,597,000</b>	<b>\$ 3,597,000</b>
<b>SURPLUS</b>	<b>\$ 709,997</b>	<b>\$ 712,341</b>	<b>\$ 855,241</b>	<b>\$ 1,033,330</b>	<b>\$ 1,218,544</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.20</b>	<b>1.20</b>	<b>1.24</b>	<b>1.29</b>	<b>1.34</b>



**DRAFT**

**Housing System Proforma**

11/19/07

		FY 7-8	FY 8-9	FY 9-10 with I.V.	FY 10-11	FY 11-12	FY 12-13
<b>REVENUE</b>							
	Academic Year Student Rentals	\$ 16,482,350	\$ 17,141,644	\$ 21,931,310	22,808,562	23,720,905	24,669,741
	Conference/Guest Housing Fees	\$ 65,000	\$ 67,600	\$ 1,366,304	1,420,956	1,477,794	1,536,906
	Miscellaneous Income/keys/damage	\$ 112,020	\$ 116,501	\$ 281,161	292,407	304,104	316,268
<b>TOTAL REVENUE</b>		<b>16,659,370</b>	<b>17,325,745</b>	<b>\$ 23,578,775</b>	<b>24,521,926</b>	<b>25,502,803</b>	<b>26,522,915</b>

<b>EXPENDITURES</b>							
	Salaries & Benefits	\$ 2,500,000	\$ 2,600,000	\$ 3,062,000	\$ 3,184,480	\$ 3,311,859	3,444,334
	OPS	\$ 400,000	\$ 416,000	\$ 468,640	\$ 487,386	\$ 506,881	527,156
<b>TOTAL SALARIES AND BENEFITS</b>		<b>\$ 2,900,000</b>	<b>\$ 3,016,000</b>	<b>\$ 3,530,640</b>	<b>3,671,866</b>	<b>3,818,740</b>	<b>3,971,490</b>

	Utilities	\$ 2,984,240	\$ 3,103,610	\$ 3,771,654	3,922,520	4,079,421	4,242,598
	Service Contracts	\$ 314,900	\$ 327,496	\$ 460,596	479,020	498,180	518,108
	Maintenance/Custodial	\$ 460,390	\$ 478,806	\$ 547,958	569,876	592,671	616,378
	Marketing/Printing	\$ 39,250	\$ 40,820	\$ 42,453	44,151	45,917	47,754
	Administration/Supplies	\$ 110,480	\$ 114,899	\$ 123,495	128,435	133,572	138,915
	Training/Development	\$ 75,300	\$ 78,312	\$ 88,444	91,982	95,662	99,488
	Miscellaneous	\$ 100,000	\$ 104,000	\$ 113,160	117,686	122,394	127,290
	Other Capital Outlay (OCO)	\$ 273,250	\$ 284,180	\$ 295,547	307,369	319,664	332,450
<b>TOTAL OPERATING EXPENSE</b>		<b>\$ 4,357,810</b>	<b>\$ 4,532,122</b>	<b>\$ 5,443,307</b>	<b>5,661,040</b>	<b>5,887,481</b>	<b>6,122,980</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 7,257,810</b>	<b>\$ 7,548,122</b>	<b>\$ 8,973,947</b>	<b>9,332,905</b>	<b>9,706,221</b>	<b>10,094,470</b>
	University Administrative Overhead	\$ 474,661	\$ 493,647	\$ 586,896	\$ 610,372	\$ 634,787	\$ 660,178
	Reserves (2.5% of Revenue)	\$ 416,484	\$ 433,144	\$ 506,069	\$ 613,048	\$ 637,570	\$ 663,073
<b>TOTAL OTHER EXPENSES</b>		<b>\$ 891,145</b>	<b>\$ 926,791</b>	<b>\$ 1,092,966</b>	<b>1,223,420</b>	<b>\$ 1,272,357</b>	<b>\$ 1,323,251</b>

<b>TOTAL REVENUE</b>	<b>16,659,370</b>	<b>17,325,745</b>	<b>23,578,775</b>	<b>24,521,926</b>	<b>25,502,803</b>	<b>26,522,915</b>
<b>TOTAL EXPENSES</b>	<b>\$ 8,148,955</b>	<b>\$ 8,474,913</b>	<b>\$ 10,066,913</b>	<b>\$ 10,556,325</b>	<b>\$ 10,978,578</b>	<b>\$ 11,417,721</b>
<b>NET OPERATING INCOME</b>	<b>\$ 8,510,415</b>	<b>\$ 8,850,832</b>	<b>\$ 13,511,862</b>	<b>\$ 13,965,600</b>	<b>\$ 14,524,224</b>	<b>\$ 15,105,193</b>
<b>ANNUAL DEBT SERVICE</b>	<b>\$ 6,015,120</b>	<b>\$ 6,020,151</b>	<b>\$ 9,619,355</b>	<b>10,201,099</b>	<b>10,201,099</b>	<b>10,201,099</b>
<b>SURPLUS</b>	<b>\$ 2,495,295</b>	<b>\$ 2,830,681</b>	<b>\$ 3,892,507</b>	<b>\$ 3,764,501</b>	<b>\$ 4,323,125</b>	<b>\$ 4,904,094</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.41</b>	<b>1.47</b>	<b>1.40</b>	<b>1.37</b>	<b>1.42</b>	<b>1.48</b>

\* Projections of Revenue and Expenses for future years based on assumption of 4% annual increase

\* IRT Debt Service increases in FY 10-11

\* Occupancy rate projections - 95%

**TITLE SHEET**

**BT-651  
INNOVATION VILLAGE  
APARTMENTS PHASE I**

**BOCA RATON CAMPUS**

**PRINTED FOR SIGNATURES  
NOVEMBER 20, 2007**



**FLORIDA ATLANTIC UNIVERSITY**

**A. PROJECT HISTORY**

Campus housing at the Boca Raton campus of Florida Atlantic University has been an integral part of the University almost since its inception. As originally envisioned, FAU was to be a commuter campus with no residential facilities when it began offering classes in 1964. However, the reality of the need for a campus-housing program for the benefit of the students was quickly recognized, and university plans were amended to include residence halls. This five-year period from 1965 to 1970 saw the development of the seven-hall, 1054-space campus housing system, which remained as the only housing for the campus until 1995, when diversity in the style of housing options was achieved with the introduction of the University Village Apartment Complex. The apartment complex is a 532-bed facility designed for single students, both men and women. Indian River Towers Residence Hall Complex, a 604-bed, suite-style residence hall was constructed and opened in 2001. This new residence hall was designed to provide a greater sense of community for its residents, and offers computer lab, classroom, a study room on each floor, and conference room space for the resident students.

In November, 2002 the program for a 600 bed residence Hall was approved. This residence hall, now called Heritage Park Towers, was completed in time for the Fall 2004 semester and was a complete success. All of the old residence halls were then demolished with the exception of Timucua and Algonquin Halls. Timucua was demolished in 2006 and replaced with the second phase 600 bed residence hall, now named Glades Park Towers. Algonquin Hall, remains as the only original residence building with some 93 beds. Currently, the total number of units of housing on campus (beds) is approximately 2450 beds.

Today, there is a renewed emphasis to create a more traditional college life on the FAU Boca Raton campus. To this end, FAU will build student housing units reflecting the needs of its more mature students.

**B. PROJECT GENERAL DISCRPTION**

The consensus is that the University needs to supply its upper classmen with apartment style units. This program comprises apartment style units for 600 students. Each unit shall provide for a private single bedroom for each student, arranged in four bedroom suites with a living room, dining area and kitchen, and at least two separate bathrooms.

In addition, several RA suites shall be incorporated into the complex, the number of which will depend on the structural make-up of the residence hall and the number of buildings, but there shall be a minimum ratio of RA units of 1 per 75 students. .

All student and RA suites will be entirely handicap accessible, as will the entire complex.

The building (s) shall have a lobby of adequate size, with a small waiting area, a chilled water cooler, and public HC accessible toilets. A single central ancillary area that will serve the entire future Innovation Village complex will comprise a central rear loading mail facility, a vending area for up to four machines, and an office area for up to six offices, a receptionist/ security office and office storage. This ancillary facility will also have the following components: a multipurpose room, activity room, conference rooms, and a computer. See full program in Section IX.

A laundry facility shall be located on the ground floor of the building, sized to support the number of beds in the building. Recycling trash closets shall be located on each floor of each building. Separate maintenance supply closets with janitor's sink shall be located on each floor. Closets for electrical, IRM, and cable TV shall be located as required.

For this facility, a card-access system is required, with access provided at each entrance. Secondary entrances/exits, such as stair towers, should be wired for card access and alarms/horns, in order to prevent the doors from being propped open. Camera surveillance shall be provided at entrance lobbies, outside of all exits and at all public spaces.

#### C. PROJECT GOALS

The primary goal of this project is to provide the Boca Raton Campus with additional residential capacity that will appeal to the student body and will contribute to an increased sense of community on campus, by retaining upperclassmen and graduate students on campus.

#### D. DESIGN OBJECTIVES

The Architectural Design of the Innovation Village Apartments shall be respectful of the existing campus fabric and texture, while breaking new ground in the virgin wilderness north of Lee Street. On this greenfield site, the University is seeking a new urban vernacular that enhances student life and provides informal interaction and recreational opportunities as well as retail establishments that may reduce the need to leave campus. This project seeks to create a sense of place built around plazas and pocket parks, while relating to other components of Innovation Village such as the Stadium, the Arena, and another 1,800 residential units in the future. All of these components, as well as the FAU Recreation Center and the FAU Alumni Center will converge on a main street pedestrian retail center at the north end of the Breezeway extension.

Other project design objectives include the following:

1. LANDSCAPING AND EXTERIOR LIGHTING

Landscaping and exterior lighting shall be incorporated into the design for function, aesthetics, security and safety.

2. WALKWAYS AND PEDESTRIAN TRAFIC

The project shall include walkways and plazas, adequate for connecting this facility to other facilities and parking areas in a way that is consistent with the master plan.

3. SUSTAINABLE DESIGN, GREEN ARCHITECTURE AND RECYCLING

The University promotes environmental quality and resource conservation through sustainable design, green architecture and recycling in its planning and development. At the University's discretion, this project may be designed and built to some level of the U. S. Green Building Council's LEED standard or equivalent. The campus standard is silver.

4. CONNECTIVITY

The design shall provide for the connectivity to essential voice data and life-safety reporting systems.

5. PROJECT BUDGET

The University expects the architect to design and produce contract documents which will be consistent with the established project budget. This obligation is mandatory. The architect shall work with the University's construction management consultant to prepare a cost breakdown at each stage of the project design. If these estimates exceed the budget at any stage, the architect will work with the university to modify the construction documents or the program to conform to the budget at no additional costs to the University. However, the design may not vary from the program without University approval.

E. CONSTRUCTION DELIVERY METHOD

The University anticipates the utilization of a construction manager for this project. The construction sequencing is critical to minimize disruption of campus services and the relocation of parking areas. Prior to the start of construction the CM shall provide a mobilization plan to the University, for its approval in regard to these issues.

The size of the project is sufficiently large and/or complex to require major emphasis on the qualification of the contractor in order to provide specific expertise in highly specialized cost estimating, value engineering, and scheduling during the design process, with continuity of construction management through both design and construction phases.



**XIII. PROJECT SCHEDULE**

**INNOVATION VILLAGE APARTMENTS I**

**CONSTRUCTION MANAGEMENT PROJECT DELIVERY METHOD**

The University preference is the CM process with a GMP submittal at the conclusion of design phase adequate for obtaining a GMP. The CM selection process is accounted for in the schedule below.

Project: INNOVATION VILLAGE HOUSING I Date: 11/20/2007

**CONSTRUCTION MANAGEMENT PROJECT DELIVERY METHOD**

Fill in the Yellow shaded area only		Return to	XV. Summary	Worksheets:	Budget
Automatic entry in Light Green			IX. Program		Program

GOALS AND MILESTONES	DURATION	START DATE	END DATE	
<b>PROGRAM APPROVAL</b>	<b>8 weeks</b>	<b>01-Oct-2007</b>	<b>26-Nov-2007</b>	<b>0.2 Years</b>
Facilities Program Development	3 weeks	01-Oct-2007	22-Oct-2007	
University Facilities Program Approval	5 weeks	22-Oct-2007	26-Nov-2007	
<b>A/E SELECTION PROCESS</b>	<b>8 weeks</b>	<b>26-Nov-2007</b>	<b>21-Jan-2008</b>	<b>0.2 Years</b>
Advertise for A/E in FAW	5 weeks	26-Nov-2007	31-Dec-2007	
A/E Short-list	1 weeks	31-Dec-2007	07-Jan-2008	
A/E Interviews	1 weeks	07-Jan-2008	14-Jan-2008	
Contract Negotiations with A/E	1 weeks	14-Jan-2008	21-Jan-2008	
<b>C/M SELECTION PROCESS</b>	<b>8 weeks</b>	<b>26-Nov-2007</b>	<b>21-Jan-2008</b>	<b>0.2 Years</b>
Advertise for C/M in FAW	5 weeks	26-Nov-2007	31-Dec-2007	
C/M Short-list	1 weeks	31-Dec-2007	07-Jan-2008	
C/M Interviews	1 weeks	07-Jan-2008	14-Jan-2008	
Contract negotiations with C/M	1 weeks	14-Jan-2008	21-Jan-2008	
<b>DESIGN PHASE</b>	<b>24 weeks</b>	<b>21-Jan-2008</b>	<b>07-Jul-2008</b>	<b>0.5 Years</b>
Conceptual Design & Schematic Submittal	4 weeks	21-Jan-2008	18-Feb-2008	
University review and approval	2 weeks	18-Feb-2008	03-Mar-2008	
Design Development and Budget verification	4 weeks	03-Mar-2008	31-Mar-2008	
University review and approval	2 weeks	31-Mar-2008	14-Apr-2008	
100% Construction Documents and Budget update	6 weeks	14-Apr-2008	26-May-2008	
University review and approval	2 weeks	26-May-2008	09-Jun-2008	
Submittal of GMP	2 weeks	09-Jun-2008	23-Jun-2008	
GMP Review & Negotiations	2 weeks	23-Jun-2008	07-Jul-2008	
Design Review submittal to State Fire Marshal (SFM)	4 weeks	26-May-2008	23-Jun-2008	
<b>CONSTRUCTION PHASE</b>	<b>57 weeks</b>	<b>07-Jul-2008</b>	<b>10-Aug-2009</b>	<b>1.1 Years</b>
Notice to Proceed	1 weeks	07-Jul-2008	14-Jul-2008	
Construction to Substantial completion	50 weeks	14-Jul-2008	29-Jun-2009	
Final Completion Inspection	4 weeks	29-Jun-2009	27-Jul-2009	
Owner FF&E Move In	2 weeks	27-Jul-2009	10-Aug-2009	
Owner Occupancy		10-Aug-2009		
<b>Total</b>	<b>97 weeks</b>	<b>01-Oct-2007</b>	<b>10-Aug-2009</b>	<b>1.9 Years</b>

**XIV. PROGRAM FUNDS****INNOVATION VILLAGE APARTMENTS I**

## A. ESTIMATED FUNDING

<b>FUNDING</b>	
Bond Finance *	\$50,600,000.00
<b>TOTAL PROJECT FUND</b>	<b>\$50,600,000.00</b>

\* Design Phase to be funded from Housing reserves as required, and replenished with bond funds when available.

## C. ESTIMATED BUDGET SUMMARY

The following Budget reflects the estimated costs for the proposed project. See the detailed budget in section XV.

<b>ESTIMATED BUDGET SUMMARY - COMPLETE BUILDING PROGRAM</b>					
		<b>GSF</b>		<b>\$\$/GSF</b>	<b>Total \$\$</b>
<b>1</b>	<b>Construction Costs</b>				
	<b>a. Construction Costs</b>	241,484		155.00	\$37,430,000.00
	<b>b. Additional/Extraordinary Construction Costs</b>			11.95	\$2,886,000.00
	<b>c. Inflation Escalation</b>			8.35	\$2,015,800.00
	<b>Sub Total Construction Costs</b>	241,484		175.30	\$42,331,800.00
<b>2</b>	<b>Other Project Costs</b>				
	<b>a. Land/existing facility acquisition/Relocations</b>				\$0.00
	<b>b. Professional Fees</b>			\$	2,920,300.00
	<b>c. Fire Marshal Fees</b>				\$105,800.00
	<b>d. Inspection Services</b>				\$297,300.00
	<b>e. Insurance Consultant</b>				\$26,700.00
	<b>f. Surveys and Tests</b>				\$20,000.00
	<b>g. Permit/Impact/Environmental Fees</b>				\$5,000.00
	<b>h. Art Work</b>				\$0.00
	<b>i. Movable Furnishings &amp; Equipment</b>				\$1,666,100.00
	<b>j. IRM Costs</b>				\$1,110,400.00
	<b>k. Project Contingencies</b>				\$2,116,600.00
	<b>l. Campus Infrastructure</b>				\$0.00
	<b>Sub Total Other Project Costs</b>			34.24	\$8,268,200.00
	<b>TOTAL PROJECT BUDGET</b>	241,484		209.54	\$50,600,000.00



**XV. PROJECT BUDGET SUMMARY INNOVATION VILLAGE APARTMENTS I**

PROJECT SPACE AND BUDGET SUMMARY (Reference: SUS CM-N-04.00-09/97, Attachment 3)

Project: Innovative Village Housing Phase I (600 Beds) 11/20/2007

Fill in the Yellow shaded areas. Return to: XV Summary Worksheets: Schedule  
 Automatic entry in Light Green. IX Program Program

PROJECT SPACE AND BUDGET SUMMARY (Reference: SUS CM-N-04.00-09/97, Attachment 3)

Inflation Adjustment	1	Years	@	5.00	Effective Rate	5.00 %
Construction Phase Duration	1	Years				
Design Phase Duration	1	Years			Estimated Budget	\$ 50,600,000.00
					Target Budget	\$ 50,600,000.00

**SPACESUMMATION (from Section IX of Facilities Program)**

Program Space Type (New Construction)	NASF	Factor	GSF	\$ / GSF	Costs in \$
600 Bed Residences 4PPL Suite w/Kit,Liv, 2Bath			228,471	155.00	\$35,413,005.00
Ancillary space as defined in program			13,013	155.00	\$2,017,015.00
			-	0.00	\$0.00
Avg. Construction Cost				\$ 155.00	
Subtotal Building Construction (SUS)	-	0.00	241,484	<i>Rounded to 100</i>	\$37,430,000.00
		<i>Cost/bed (bed line only)</i>	608	<i>Cost per Bed</i>	\$58,245.07

**1 CONSTRUCTION COSTS (Reference: SUS CM-D-38.00-09/97, Attachment 1-B)**

a. Building Construction Cost		Units		Unit Cost	Costs in \$
New Construction Cost	241,484	GSF		\$155.00	\$37,430,000.00
Building Demolition	-	GSF		\$0.00	\$0.00
Sub-Total Building Construction Costs (today's \$\$)				\$155.00	\$37,430,000.00
<b>b. Additional/Extraordinary Construction Cost</b>		Units		Unit Cost	
Recreation Pool and BBQ Pavillion	1	Allowance		\$750,000.00	
Site Preparation/Demolition	1	Allowance		\$20,000.00	
Landscape/Irrigation	1	Allowance		\$120,000.00	
Plazas/Walks/Bikepaths	1	Allowance		\$100,000.00	
Roadway Improvements	1	Allowance		\$200,000.00	
Parking (on-grade)	420	Spaces	2,800	\$1,176,000.00	
Electrical Services	1	Allowance		\$100,000.00	
Water Distribution	1	Allowance		\$80,000.00	
Sanitary Sewer System	1	Allowance		\$120,000.00	
Chilled Water System-See Plant Cost in Contingen	1	Allowance		\$120,000.00	
Storm Water System	1	Allowance		\$40,000.00	
Telecomm Trench and conc encased conduits	1	Allowance		\$60,000.00	
Sub-Total Add/Extra Construction Costs				Round to 100	\$2,886,000.00
<b>TOTAL CONSTRUCTION COSTS - BUILDINGS and SITE DEVELOPMENT</b>				166.95	\$40,316,000.00
Inflation Adjustment					\$2,015,800.00
<b>TOTAL CONSTRUCTION BUDGET</b>				\$ 175.30	\$42,331,800.00

*Costs in \$ are rounded to the nearest dollar. All costs are in US dollars. All costs are in US dollars.*

Please see Other Project Costs and Total Project Budget on next page.

**INNOVATION VILLAGE APARTMENTS I**

2 OTHER PROJECT COSTS Add or delete following items as required		Costs	Subtotals (rounded)
<b>a. Land/Existing Facility Acquisition/Relocation</b>		\$0.00	
<b>Subtotal Land/Existing Facility Acquisition/Relocation</b>			<b>\$0.00</b>
<b>b. Professional Fees</b>			
A/E Fees (Curve E Less Average)	5.44 %	\$2,138,001.60	
Civil & Engineering Fee (10% of A/E Fee)	10.00 %	\$213,800.16	
Landscape Design Fee (5% of A/E fee)	5.00 %	\$106,900.08	
Building Commissioning (T&B)	1 Allowance	\$ 60,000.00	
Site master planning	1 Allowance	\$ 20,000.00	
LEED Silver or Equivalent	3.00 %	\$64,140.05	
C/M Pre-Construction Services Fee	0.75 %	\$ 317,488.50	
<b>Sub-Total Professional Fees</b>			<b>\$ 2,920,300.00</b>
<b>c. State Fire Marshal Review and Inspection</b>	0.25 %	\$105,829.50	<b>\$105,800.00</b>
<b>d. Inspection Services</b>			
Roofing Inspection	1 Allowance	\$15,000.00	
Threshold Inspection	1 Allowance	\$25,000.00	
Code Compliance Inspection (weekly)	0.575% of Bldg Construction Cost	\$226,000.00	
Plan Review (Code Compliance Inspection)	0.075% of Bldg Construction Cost	\$29,500.00	
<b>Sub-Total Inspection Services</b>			<b>\$297,300.00</b>
<b>e. Risk Management / Insurance Consultant</b>	0.06 %	\$25,399.08	<b>\$26,700.00</b>
<b>f. Surveys &amp; Tests</b>			
Topographical/Site Survey	1 Allowance	\$10,000.00	
Geotechnical Testing	1 Allowance	\$10,000.00	
<b>Sub-Total Surveys &amp; Tests</b>			<b>\$20,000.00</b>
<b>g. Permit/Impact/Environmental Fees</b>			
Environmental (SFWM)	1 Allowance	\$5,000.00	
<b>Sub-Total Permits/Impact Fees</b>			<b>\$5,000.00</b>
<b>h. Art in State Building (Section 255.043, F.S.)</b>	0 %	100K Maximum	\$0.00
<b>i. Movable Furniture &amp; Equipment</b>			
FFE - Office, Central rooms Equip Office computers	1 Allowance	\$350,000.00	
FFE - Apartment Furniture (80% of units)	128 \$ 3,500 each Apt	\$448,000.00	
FFE - Appliances - all units + RAs	161 \$ 2,000 each Apt	\$322,000.00	
FFE - Custodial	1 Allowance	\$90,000.00	
FFE - Sec. Cameras and Exterior Card reader sys.	1 Allowance	\$150,000.00	
FFE - Interior Room Card readers	3,050 \$ 100 each	\$305,000.00	
FFE - misc	1 Allowance	\$1,100.00	
<b>Subtotal Moveable Furniture &amp; Equipment (FFE)</b>			<b>\$1,666,100.00</b>
<b>j. IRM &amp; Costs - See Section XI for more detail</b>			
IRM Cabling Infrastructure	1 Allowance	\$271,956.00	
IRM Switching Equipment/Wireless	1 Allowance	\$418,405.20	
IRM Class/Conf Rm Equipment - End User Options	1 Allowance	\$300,000.00	
IRM Faceplate Allowance	800 # of Drops	150 \$120,000.00	
<b>Sub-Total IRM Costs</b>			<b>\$1,110,400.00</b>
<b>k. Project Contingency</b>	5 %	\$2,116,590.00	<b>\$2,116,600.00</b>
<b>l. Campus Infrastructure (Chiller Plant module)</b>	0 %	\$0.00	<b>\$0.00</b>
<b>TOTAL OTHER PROJECT COSTS</b>			<b>\$8,268,200.00</b>
<b>TOTAL PROJECT BUDGET COST ESTIMATE</b>		\$209.54	<b>\$50,600,000.00</b>



**BOARD OF TRUSTEES**  
Florida Atlantic University

**ANNUAL RETREAT**

**Agenda**

**September 17-18, 2007**

**Boca Raton Campus, Live Oak Pavilion**

**Call-In #: (888) 207-9997 Password: FAU Owls**

**Contact #: 561-297-3450**

**Purpose of the Retreat**

1. Presentation of workshop on enrollment initiatives and statistics at FAU.
2. Presentation of the University's plan for Innovation Village.
3. Update on HBOI Agreement and transition.
4. Discussion and vision on what FAU will look like in 10 years.

**Monday, September 17, 2007**

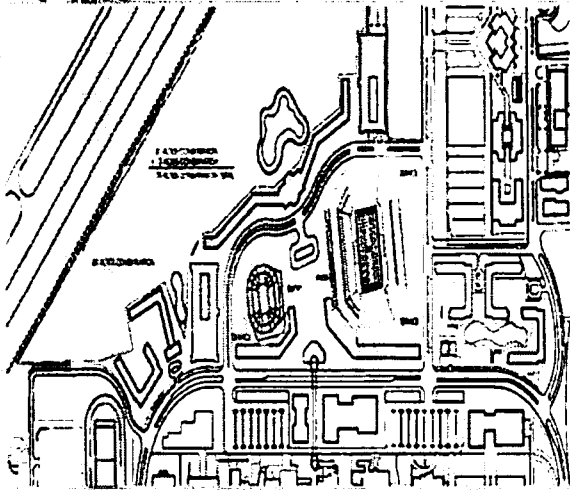
10:00 am	Welcome Overview of Meeting Schedule Recap and Discussion of 2006 Retreat
10:30 - 12:30 pm	Enrollment Presentation
12:30 - 1:30	Lunch
1:30 - 3:00	Enrollment Presentation and Discussion
3:00 - 5:00	President's Vision
5:00	End of Session
5:30 pm	Cocktails and Dinner at the Baldwin House Trustees and Executive Committee

**Tuesday, September 18, 2007**

8:30 am	Breakfast
9:00 - 10:30	Harbor Branch Update
10:30 - 11:00	Break
11:00 - 3:00 pm	Innovation Village Presentation Powerpoint Presentation



# C.H. JOHNSON CONSULTING



# FAU

## Florida Atlantic University Housing Analysis

**SUBMITTED TO:**  
Florida Atlantic University

**SUBMITTED BY:**  
C.H. Johnson Consulting, Inc.  
Focus Real Estate Advisors

September 2007

**JOHNSON**  
CONSULTING

Table 3-11

